

October 23, 1998

The Honorable Mayor Susan W. Kluttz,
City Council, City Manager,
and the Citizens of the
City of Salisbury, North Carolina

We are pleased to submit the Comprehensive Annual Financial Report (Report) of the City of Salisbury (City) for the fiscal year ended June 30, 1998 (FY98). We are particularly proud of the fact this Report has been entirely prepared by the City's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects, and it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The accompanying financial statements have been audited by McGladrey & Pullen, LLP, an independent firm of certified public accountants, and their opinion is included in the Report.

GENERAL

The financial statements have been prepared in compliance with applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governmental Units*, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among the other resources used in the preparation of the financial statements, the Finance Department Staff has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, organizational chart, a list of principal officials, and facts and information about the City. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements, and other schedules, as well as the auditor's opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the State Single Audit Implementation Act, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Information related to the compliance audit and the schedule of expenditures of federal and State awards are included in the compliance section of this Report.

The City participates in the Certificate of Achievement for Excellence in Financial Reporting awards program sponsored by the Government Finance Officers Association of the United States and Canada. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City's Comprehensive Annual Financial Report for the year ended June 30, 1997, was awarded a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's requirements and intend to submit it to the GFOA to determine its eligibility for another certificate.

ECONOMIC CONDITION AND OUTLOOK

The City of Salisbury is located in the heart of North Carolina. Situated along the I-85 corridor which links the community to the state's economic centers, the City is located midway between two major metropolitan regions: Charlotte to the south, and the Piedmont Triad (Greensboro, High Point and Winston-Salem) to the north. In addition to the interstate highway, the City is also served by two major rail lines which intersect in town and a recently expanded airport on the outskirts of the community. This location offers widely diversified employment opportunities for residents in areas ranging from financial, educational, medical, and governmental to industrial and research activities. In summary, the diverse local economic base and long-term planning coupled with the region's advantages have made the City an attractive place to do business and to live.

The location also allows the City to serve as a trading and distribution center for the County and portions of surrounding counties. Community leaders are excited about the construction of a new commercial retail center nearing completion. Gross retail sales in Salisbury for the twelve months ended June 30, 1998, increased in excess of \$80.5 million to \$648,769,821, a substantial increase of 14.17% over last year's figures. Total county-wide sales increased in a like manner by almost 9.1% to \$1,056,147,193.

Salisbury has fared well economically in comparison to many other locales over the last several years. The economic processes of several years past propelled renewal within the community, providing local business, civic, and government leaders the opportunity to plan and direct a renewed industrial recruitment focus to further broaden and stabilize the City and County's economic base. The region's advantages and opportunities have become an attractive selling point for new businesses and industries locating or expanding in the area. The average unemployment rate over the past twelve months ended June 30, 1998, was a modest 3.0%, up 0.1% from 2.9% in 1997. As in prior years, this is considerably lower than the state unemployment rate which averaged 3.6%. The low unemployment rate is primarily due to a diversified industry base coupled with orderly growth and expansion of existing industries and the location of new industries and businesses in the area. Over the past 18 months, more than 1,600 new jobs have been created and in excess of \$80 million has been invested in new business and industry construction and expansions in Rowan County.

The downtown area continues to go against the trend of retail exodus to area malls. The downtown business district continues to be a thriving retail center for area merchants. In addition, the renovation of the Meroney Theater by the Piedmont Players, Inc., completed in Fall 1995, has produced a flood of additional business for the downtown area restaurants and brought an entertainment facet to the downtown district. The Theater is used to produce and stage theatrical performances approximately six times a year by the Piedmont Players, a local community theater group.

The City's proximity to the State's metropolitan regions and the growth in the City and County provides many advantages and challenges. The City's management, the City Council, and the citizens continue to explore and develop goals and plans to keep the City of Salisbury financially sound while providing the services domestic and corporate citizens require.

MAJOR INITIATIVES

During FY98, the City of Salisbury began and continued several efforts focused on the concerns, wants and needs of its citizens identified in FY95 and in a Municipal Service Survey completed in the spring of 1997. These efforts were made and accomplished in spite of the difficulties in trying to balance the citizens' needs and attain goals with the limited financial resources available. The City made major strides toward meeting those wants and needs during FY98. Four areas worth noting were the continued progress in the City's comprehensive approach to at-risk neighborhood communities, continued revitalization of downtown Salisbury, identification and recruitment of new development, and the construction of a comprehensive sports complex.

The development of a comprehensive, holistic approach to problem solving in neighborhoods and communities has continued to be one of the foremost goals from the City Council's Annual Future Directions and Goal Setting Conference. Council has placed a high priority on developing and maintaining a sustainable feeling of safety for citizens in all areas of the City. The Police Department has taken steps to provide more officer presence in neighborhoods through a system known as "District Policing". The City is continuing to dedicate officers to the Salisbury Housing Authority neighborhoods, which increase the feeling of safety and security in those areas. Also, the City is currently installing mobile data terminals in police cars to enable the officers to access information in the databases of state law enforcement agencies. These computers allow the officers to better assess potentially dangerous situations, which in turn, increase the level of safety for the officers and the citizens of Salisbury.

The City continues to support the revitalization of the downtown business district that began in the early 1980's. Contractors have recently completed renovating a former bank building into a new City Hall. The newly added office space and the continuing renovations of the existing office building should enable the City's staff to more efficiently serve the needs of the community. Current offices will then be freed up for either lease or sale and thereby create additional revenue for the City. Another step in the redevelopment of the downtown area was the City's purchase of the former Flowers Bakery property in July 1997. The City has funded a professional study and received public input in an effort to determine its best economic use. Putting this idle property back into service will boost the continuing reemergence of downtown Salisbury.

The City's tax base has continued to increase due to commercial development, such as the new Innes Street Market, and housing development, such as the Crescent Development, which includes a new eighteen hole championship golf course. Total assessed property valuation increased nearly five percent during FY98 and preliminary tax scrolls indicate another increase of almost eight percent for the coming fiscal year. These increases in the tax base will help to insure the City's continued economic stability.

Finally, the Parks and Recreation Department made considerable progress in the planning and development of the new Salisbury Community Park and Athletic Complex during FY98. The City completed purchase of 314 acres of land to be used for the park. Plans for design and construction of the park are well under way.

FUTURE DEVELOPMENTS

As discussed above, the Parks and Recreation Department will continue their efforts as the Salisbury Community Park and Athletic Complex begins to take shape. Site plans and designs are nearing completion

and the groundbreaking will be held early in 1999. If construction goes as planned, the park is scheduled to open in the spring of 2000.

Regulatory compliance mandates are driving the Water and Sewer Utility's capital improvement program for FY99 and beyond. The North Carolina Division of Environmental Health has mandated that our water treatment plant must be upgraded and expanded. The first of several upgrade projects should be completed by August 1, 1999, with the total upgrade and expansion scheduled to be completed in FY03. These projects will be paid for with a combination of state loan funds, general obligation, and revenue bonds. Also, the two existing wastewater treatment plants must be upgraded to maintain compliance until a new plant is mandated. A comprehensive study will determine the capital needs and a project schedule will be adopted in FY99. Construction will be done during FY00.

The City will continue to participate in the Benchmarking Project being conducted by the Institute of Government of the University of North Carolina at Chapel Hill. The purpose of this project is to provide an external context in which to examine local government performance. The initial services that were evaluated are police services, street maintenance and solid waste collection. During the next phase of the project, the City's fire services will be evaluated. The City hopes to improve existing service by establishing local government performance measures which can be compared to other municipalities in order to assess our performance. City goal setting, team building, goals evaluation, and determining levels of service will all be enhanced by participating in the implementation of uniform performance measure standards that will allow for a municipality's performance to be assessed.

The City is currently is in the process of establishing a long-range plan for controlled growth – the 2020 Strategic Growth Plan. A long-term plan is necessary to assure that the City will be prepared to handle the expected continued growth during the next two decades. The 2020 plan will include new strategies and policies concerning regional water and sewer service, regional planning, new urbanism, and public safety. The City will be arranging community workshops to educate the public about different aspects of new urbanism.

REPORTING ENTITY

This Report includes all funds, account groups, agencies, commissions, and boards which are dependent on the City or over which the City may exercise control. The City of Salisbury (as legally defined) is considered to be a primary government. Current governmental standards for accounting and financial reporting require inclusion of the primary government as well as all its component units in a published comprehensive annual financial report. Component units are legally separate entities for which the primary government is primarily financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body; and 1) it is able to impose its will on that organization; or, 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flow from those of the primary government. Downtown Salisbury, Inc. and Salisbury New Horizons Housing Corporation, Inc. are reported as discretely presented component units.

SERVICES PROVIDED

The City of Salisbury provides a full range of municipal services allowable under State law including law enforcement, fire protection, zoning and code enforcement, recreation centers and parks, cemeteries, street maintenance, sanitation, and water and sewer systems.

GOVERNMENT STRUCTURE

The City employs a Council-Manager form of government as provided in the City's Charter. The governing body consists of five council members, elected on a nonpartisan basis at large for a two year term. The Council elects the Mayor from themselves with the council member receiving the highest number of votes in the general election generally being selected. Elections are held in November of odd numbered years. The City Manager, the chief executive officer, is appointed by and serves at the pleasure of the Mayor and Council. The Mayor and Council adopt a balanced budget and establish a tax rate for the support of City services prior to the beginning of each July 1 to June 30 fiscal year. The City Manager administers City programs in accordance with local policy and the annual budget.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

In developing and evaluating the City's accounting systems, consideration is given to the adequacies of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and State awards, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the City's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and State awards, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for FY98 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of departmental balances are not released until additional appropriations are made available. Open encumbrances lapse at year end and are reinstated against the subsequent year's appropriation. They are shown as a reservation of fund balance at June 30, 1998.

BASIS OF ACCOUNTING

The City's accounting records for governmental funds are maintained on a modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized in the accounting

period in which the liability is incurred, if measurable, except for unpaid interest on general long-term debt. Proprietary fund and pension trust fund revenues and expenses are recognized on the accrual basis whereby revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period in which they are incurred, if they are measurable. Fiduciary funds are accounted for on the modified accrual basis, the same as for governmental funds.

FUND ACCOUNTING

Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or obtaining certain objectives in accordance with special regulations, restrictions, or limitations. Thus a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functions.

FUND AND ACCOUNT GROUP CATEGORIES

Governmental funds are those through which governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in the proprietary fund, are accounted for through governmental funds. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, usage, and balances of financial resources), rather than upon net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those found in the private sector. All assets, liabilities, equity, revenues, expenses, and transfers relating to the government's business and quasi-business activities (where net income and capital maintenance are measured) are accounted for through proprietary funds. The generally accepted accounting principles here are those applicable to similar businesses in the private sector; and the measurement focus is upon determination of net income, financial position, and cash flows.

Fiduciary funds are used to account for assets held by governmental units in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are purely custodial in nature and do not measure the results of operations. Pension trust funds are accounted for in essentially the same manner as proprietary funds.

In addition to these three fund types, there is a fourth category of accounting entity, the account groups. Account groups are used to establish accounting control and accountability for the government's general fixed assets and the unmatured principal of the general long-term debt. These two account groups do not, however, account for any fixed assets or unmatured principal of any long-term debt for any proprietary fund.

FINANCIAL MANAGEMENT

The City's financial management program continues to provide the citizens of the City with an approach which has served to enhance the City's excellent financial position by:

1. Investing all available funds not needed on a daily basis in order to maximize interest earnings, and
2. Allocating City resources only to program areas that meet community needs, and
3. Monitoring these program areas to ensure they are carried out within authorized levels.

This financial management program allows the City to achieve its goal of expanded and improved services at a reasonable cost to the citizens of Salisbury. Additionally, the City's bond rating of "A1" by Moody's Investors Service, Inc. and "A+" by Standard and Poor's Corporation was reaffirmed in June 1998. This is a reflection of the City's continued sound financial condition.

EXHIBIT 1

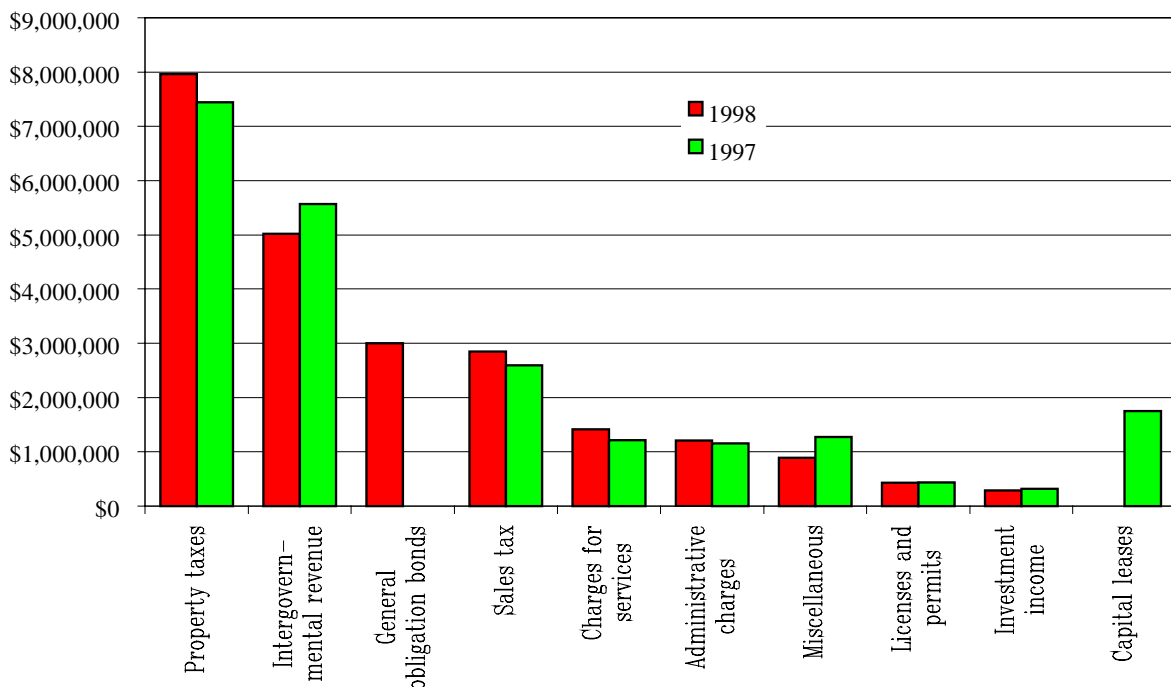
COMPARATIVE SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS

Source	1998			Percent	
	Percent of Total	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Increase (Decrease)	Increase (Decrease)
Property taxes, penalties, interest, and other taxes	34.54%	\$ 7,964,895	\$ 7,446,319	\$ 518,576	6.96%
Intergovernmental revenue	21.78%	5,022,098	5,567,435	(545,337)	(9.80%)
General obligation bonds	13.01%	3,000,000	-	3,000,000	(100.00%)
Sales tax	12.35%	2,847,595	2,593,133	254,462	9.81%
Charges for services	6.14%	1,416,622	1,211,586	205,036	16.92%
Administrative charges	5.24%	1,207,500	1,150,000	57,500	5.00%
Miscellaneous	3.85%	888,934	1,272,831	(383,897)	(30.16%)
Licenses and permits	1.85%	427,718	433,327	(5,609)	(1.29%)
Investment income	1.24%	284,365	314,728	(30,363)	(9.65%)
Capital lease	-	-	1,750,000	(1,750,000)	(100.00%)
Total	100.00%	\$ 23,059,727	\$ 21,739,359	\$ 1,320,368	6.07%

(Derived from Statements B-3, C-2 and D-2)

EXHIBIT 2

REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS



REVENUES - GOVERNMENTAL FUNDS

Revenues to the City's governmental funds increased during FY98 by a total of \$1,320,368 (6.07%) over the preceding fiscal year as illustrated in Exhibits 1 and 2. Property taxes, including penalties, interest, and other taxes (34.54%) and intergovernmental revenue (21.78%) continue to be the major revenue sources to governmental funds. These sources comprise a total of 56.32% of such revenues.

Property Tax Revenues

In response to the needs expressed by the citizens of Salisbury and by City Council as their elected representatives, the property tax rate for municipal services remained unchanged at the equivalent rate of 57.5 cents per \$100 assessed valuation for FY98, holding the taxes essentially unchanged since FY95. The tax rate for the downtown tax district remained at sixteen (16) cents per \$100 assessed valuation. The tax receipts from the downtown district are utilized by Downtown Salisbury, Inc. for advertising and promotional activities in the district. These tax receipts are accounted for in the Municipal Service District Agency Fund and are not included in Exhibit 1. Total property tax revenue, including prior year collections increased \$518,741 (6.96%).

Total assessed valuation increased \$63,265,791 (4.80%) in FY98. Exhibit 3 depicts this change by types of assessed property, while Exhibit 4 graphically illustrates the City's property tax base.

EXHIBIT 3

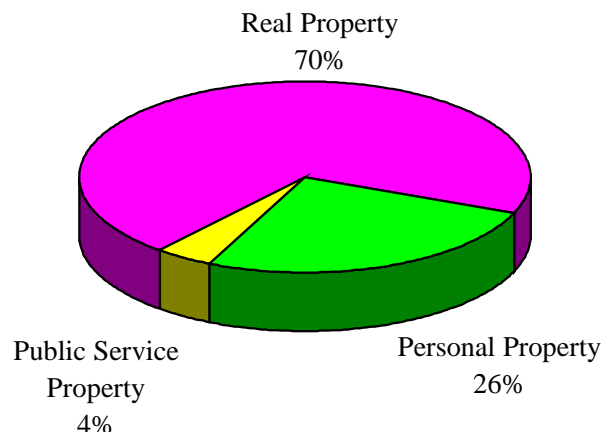
ASSESSED VALUATION

Source	1998	Fiscal Year Ended June 30,		Increase (Decrease)	Percent
	Percent of Total	1998	1997		Increase (Decrease)
Real Property	69.99%	\$ 967,242,955	\$ 933,861,596	\$ 33,381,359	3.57%
Personal Property	25.83%	357,072,088	328,554,542	28,517,546	8.68%
Public Service Property	4.18%	57,825,316	56,458,430	1,366,886	2.42%
Total	100.00%	\$ 1,382,140,359	\$ 1,318,874,568	\$ 63,265,791	4.80%

(Derived from Table 5)

EXHIBIT 4

1998 ASSESSED VALUATION



The percentage of current taxes collected in FY98 increased slightly from FY97. Exhibit 5 compares collections in FY98 and FY97. When all property tax collections are considered, the rate of collection increased from 99.27% during FY97 to 100.63% in 1998.

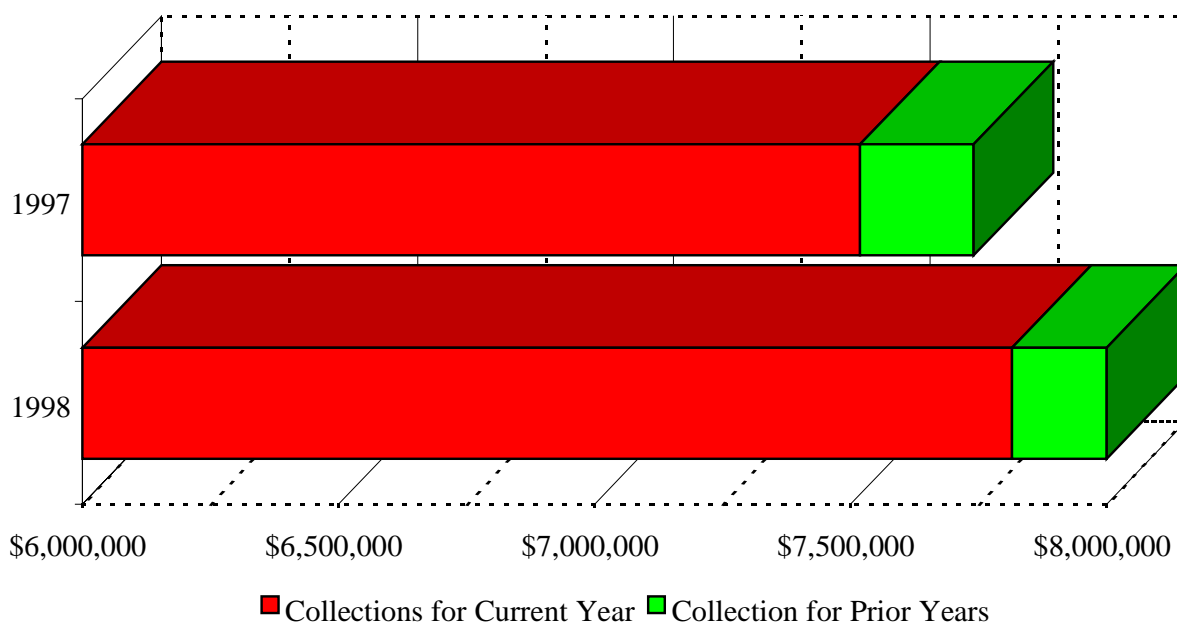
EXHIBIT 5 TAX COLLECTIONS

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tax Levy</u>	<u>Percent</u> <u>Collected in</u> <u>Year of Levy</u>	<u>Percent of</u> <u>Total</u> <u>Collected to</u> <u>Tax Levy</u>
1998	\$ 8,059,604	96.97%	100.63%
1997	\$ 7,797,861	96.43%	99.27%

(Derived from Table 4)

Exhibit 6 graphically illustrates tax collections for the two years. The collection effort continues for a ten year period, after which any uncollected amount is written off. In FY98, a total of \$21,359 was written off.

EXHIBIT 6 TOTAL TAX COLLECTIONS BY YEAR



Intergovernmental Revenue

Intergovernmental revenues, which is primarily composed of State-shared revenues, decreased \$545,337 (9.80%) from FY97. The most significant reason for this decrease is due to FY97 state transportation grant reimbursements totaling \$1,006,839 for a one-time railway depot renovation project.

Sales Tax

Sales tax revenue comprises 12.35% of the City's total governmental revenues. This year, sales tax revenue increased \$254,462 from last year. As discussed earlier, the City's local economy has continued to increase in energy, and the resulting increase in retail sales has continued to boost sales tax revenue to higher levels each year.

Investment Income

Interest earned on investments is an important contributing factor in maintaining a stable tax rate. During FY98, \$284,365 earned on investments was the equivalent of more than 2 cents on the local tax rate.

Other Revenues

Administrative charges to the Water and Sewer Fund increased \$57,500 (5.00%). This increase is due to an increase in the underlying expenditures for the utility provided by the General Fund based on an existing formula used to calculate the amount of reimbursement. Miscellaneous revenues, including sale of property, rental of property, donations, and other unclassified revenues, were down \$383,897 (30.16%). Miscellaneous revenues during FY97 were unusually high due to the sale of the Towne Mall property for \$565,000. Charges for services increased \$205,036 (16.92%). This is attributable to increases across the board in user fees and charges. The proceeds of the general obligation bond are being used to finance the purchase of land and construction of the new Salisbury Community Park and Athletic Complex.

EXPENDITURES AND OTHER FINANCING USES - GOVERNMENTAL FUNDS

Total expenditures and other financing uses increased \$1,482,448 (7.01%) during FY98. Total expenditures and other financing uses were \$22,622,371, which is approximately \$6.06 million or 21.13% under budget. Although salaries and fringe benefit costs increased throughout the City, these increases were offset by holding the line on operational expenditures, except for increases for much needed facilities maintenance.

EXHIBIT 7

COMPARATIVE SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES GOVERNMENTAL FUNDS

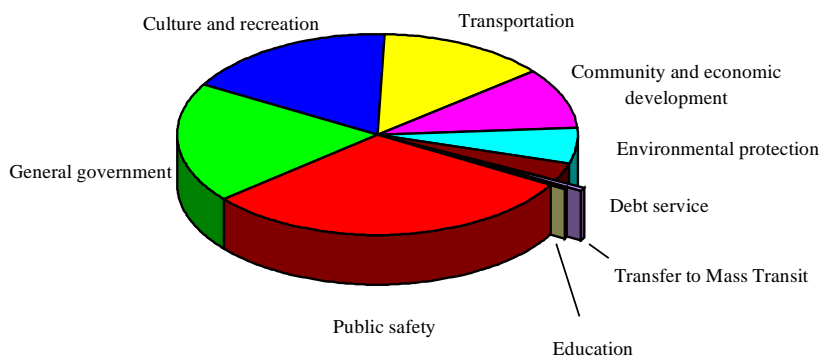
Function	1998	Fiscal Year Ended June 30,		Increase	Percent
	Percent of				Increase
	Total	1998	1997	(Decrease)	(Decrease)
Public safety	30.50%	\$ 6,900,177	\$ 7,735,362	\$ (835,185)	(10.80%)
General government	19.47%	4,403,617	3,610,184	793,433	21.98%
Culture and recreation	17.38%	3,931,369	2,130,301	1,801,068	84.55%
Transportation	13.47%	3,047,455	3,868,084	(820,629)	(21.22%)
Community & economic development	9.81%	2,219,221	1,351,865	867,356	64.16%
Environmental protection	5.88%	1,331,161	1,291,270	39,891	3.09%
Debt service	2.73%	617,008	981,853	(364,845)	(37.16%)
Transfer to Mass Transit	0.57%	130,021	128,671	1,350	1.05%
Education	0.19%	42,342	42,342	-	-
Total	100.00%	\$ 22,622,371	\$ 21,139,932	\$ 1,482,439	7.01%

(Derived from Statement A-2)

Exhibit 7 presents a comparison of expenditures by function, while Exhibit 8 graphically illustrates where the expenditures occurred. A brief analysis of major changes follows.

EXHIBIT 8

EXPENDITURES AND OTHER FINANCING USES GOVERNMENTAL FUNDS – 1998



Public Safety

The City's Public Safety programs include police and fire service protection for which expenditures decreased \$835,185 (10.80%) in FY98. Total Police Department expenditures decreased \$418,198. This decrease is due to the FY97 acquisition of additional patrol vehicles at a cost of \$443,869 in preparation for the annexation areas. The Police Department's operational expenditures were held at approximately the same level as in FY97. Fire Department expenditures decreased \$416,987. During FY97 the Fire Department acquired a new pumper at a cost of \$373,000, which accounts for the majority of this decrease.

General Government

General government includes the expenditures of the City Council, City Manager, Finance, Purchasing, Information Technologies, Human Resources, City Office Buildings, Telecommunications, Public Services Administration, and Fleet Management. The FY98 increase of \$793,433 (21.98%) is attributable primarily due renovations to the new City Hall in the amount of \$694,715.

Culture and Recreation

Culture and recreation experienced an increase of \$1,801,068 or 84.55% during FY98. Culture and recreation includes the Recreation and Landscaping departments. All the City's recreation programs, parks, recreation centers, and cultural activities and appropriations are accounted for in the Recreation Department. Of this increase, \$1,745,076 was for recreation facilities construction and improvement projects, including \$1,485,040 for the purchase of 314 acres for the new Salisbury Community Park and Athletic Complex.

Transportation

Transportation, which includes street maintenance, lighting, traffic engineering, and Powell Bill, decreased \$820,629 (21.22%) in FY98. Several FY97 special projects within the Engineering Department, including the Salisbury Depot renovation project which totaled \$868,501, account for the decrease in the current expenditures.

Community and Economic Development

Expenditures during FY98 increased \$867,356 or 64.16% in the City's community and economic development programs. These programs are comprised of the City's Community Development Department, Housing and Urban Development (HUD) grant programs, Developmental Services Department, and the Plaza. The majority of the increase in expenditures is due to purchases of real estate totaling \$547,294, including the purchase of the former Flowers Bakery property for \$504,782. The remainder of the increase in expenditures is largely attributable the City's Special Revenue Fund, Housing and Urban Development (HUD) Fund. Total HUD expenditures increased \$349,836 and included renovations to the Miller Center and West End Community Center.

Environmental Protection

The City's environmental protection programs are comprised of the Solid Waste Management and Cemetery departments. Expenditures increased slightly during FY98 by \$39,891 or 3.09%. Increases in waste collection expenditures were partially offset by increased landfill and recycling fees.

Debt Service

Debt service expenditures decreased \$364,845, a 37.16% decrease. This decrease is due to the City's final pay out of three leases during FY97.

The City's \$3,625,000 of general obligation bonds issued for various public improvement projects show as debt outstanding in the general long-term debt account group at June 30, 1998. The bonds are backed by the full faith and taxing power of the City. The City also has \$1,629,583 in capital leases which are included in the general long-term debt account group. The general obligation bonds and the capital leases are being retired through the resources of the General Fund.

In addition to these bonds, the City accounts in the Water and Sewer Fund for an additional \$21,235,000 general obligation bonds, \$2,040,000 revenue bonds, and \$5,177,614 State Clean Water bonds outstanding at June 30, 1998 issued for Water and Sewer purposes. Also, the City has \$3,406,387 in outstanding capital leases incurred for Water and Sewer purposes.

Other Expenditures

The City supplement to the Salisbury Mass Transit System increased \$1,350 or 1.05% during FY98 while the supplement the City provides to the Rowan-Salisbury School System remained at last year's amount of \$42,342.

FUND BALANCE - GENERAL FUND

The \$4,876,986 fund balance of the General Fund at June 30, 1998, is \$882,777 less than the June 30, 1997 balance (see Exhibits 9 & 10). This decrease can be attributed to the numerous renovation projects around the City and the purchase of the Flowers Bakery property for redevelopment.

Funds available for the replacement of vehicles and other capital equipment increased \$658,774. The addition of a new pumper for the fire department has been funded as of June 30, 1998, but has not yet been expended due to delays from the manufacturing company. The portion of fund balance reserved by State statute decreased \$597,166 primarily due to a one time large grant receivable from the State of North Carolina at the end of FY97. The amount reserved for encumbrances is composed of \$667,772 for other obligations

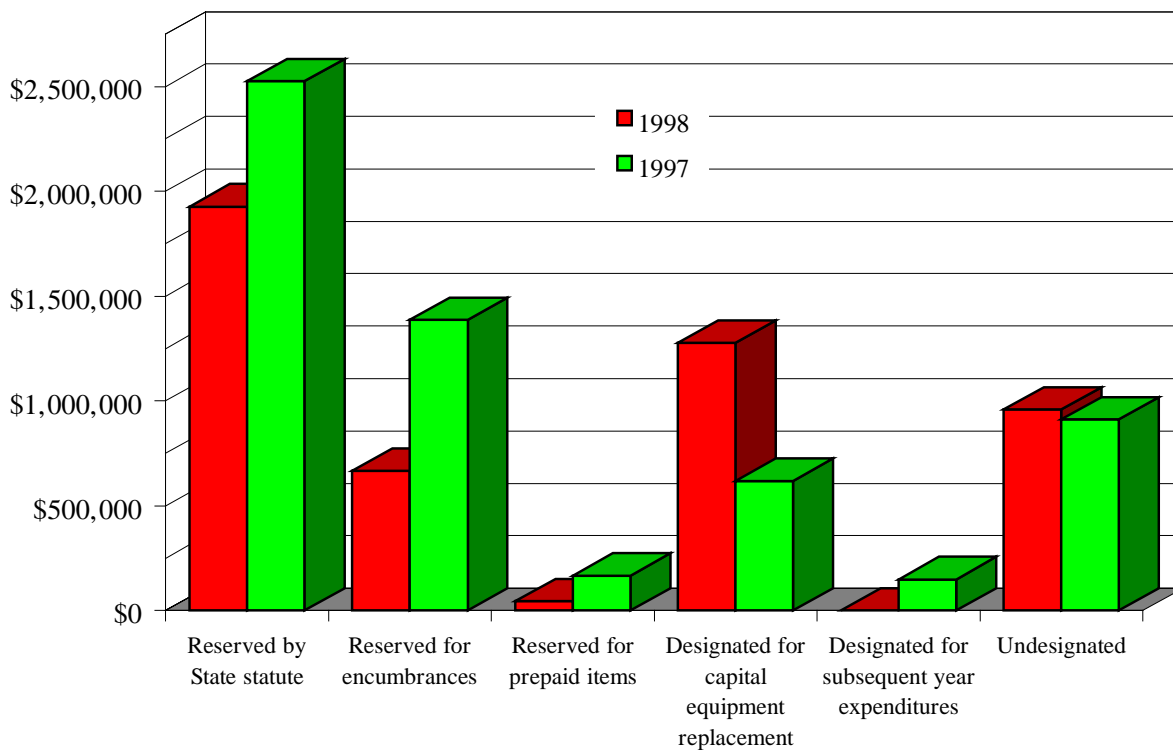
not satisfied as of year end. The decrease in the amount reserved for prepaid expenses is due to a change in scheduled payments for insurance expenses for FY98. Unrestricted and undesignated fund balance increased by \$47,645 to \$958,832, which is testimony to the budgetary process through which the efforts of City Council and management to curtail expenditures and to increase or create additional revenue sources are matched to exhibit a fiscally responsible organization.

EXHIBIT 9
FUND BALANCE
GENERAL FUND

	Fiscal Year Ended June 30,		Increase
	1998	1997	(Decrease)
Reserved by State statute	\$ 1,928,141	\$ 2,525,307	\$ (597,166)
Reserved for encumbrances	667,772	1,386,173	(718,401)
Reserved for prepaid items	44,297	167,926	(123,629)
Unreserved:			
Designated for capital equipment replacement	1,277,944	619,170	658,774
Designated for subsequent year expenditures	-	150,000	(150,000)
Undesignated	<u>958,832</u>	<u>911,187</u>	<u>47,645</u>
Total fund balance	<u>\$ 4,876,986</u>	<u>\$ 5,759,763</u>	<u>\$ (882,777)</u>

(Derived from Statement B-1)

EXHIBIT 10
COMPARATIVE ANALYSIS OF FUND BALANCE



The City follows a policy of maintaining an adequate fund balance as a safeguard against unforeseen circumstances and to provide a solid foundation for the City's fiscal health. At June 30, 1998 fund balance equaled 20.72% of the General Fund's operating budget for the new fiscal year.

BONDED INDEBTEDNESS

Total outstanding general obligation debt, revenue bond debt, and State Clean Water Bonds at June 30, 1998 totaled \$32,077,614. North Carolina statutes provide that cities may maintain outstanding debt in an amount equal to eight percent (8%) of assessed valuation. The current statutory debt margin for the City is \$73,457,645.

CASH MANAGEMENT

The City's temporary idle cash is invested in interest bearing demand deposits, certificates of deposit, obligations of the U.S. Treasury and federal agencies, bankers acceptances, commercial paper, and the North Carolina Capital Management Trust. All revenues received are deposited the same day in a consolidated interest-bearing bank account. This bank account is drawn upon to meet all payroll and payable obligations, and the City maintains in this account only as much money as is required to meet current obligations. All other idle cash is invested in instruments authorized by the General Statutes of North Carolina. The average yield on investments was 4.92% for the year ended June 30, 1998.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. The City's entire investment portfolio at June 30, 1998, is classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The remainder of the portfolio is exempt from risk categorization as the NC Capital Management Trust is an SEC registered mutual fund where the City is only a shareholder of a percentage of the fund and does not own any identifiable securities.

RISK MANAGEMENT

In the efforts to maintain services at a reasonable cost to the citizens of Salisbury, the City has developed and maintained a risk management program which encompasses nearly every aspect of the City's operations. Insurance liability coverage is obtained through a combination of commercial insurers, the insurance pool administered by the NC League of Municipalities, and self insurance. This approach has allowed the City to obtain maximal amounts of property and liability coverage at the most economical cost.

REVENUE - ENTERPRISE FUNDS

Enterprise funds revenue increased by \$504,938 (4.09%) over the previous fiscal year (see Exhibit 11). The revenue increase in the Water and Sewer Fund of \$536,764 (4.46%) is attributable to two reasons. First, an overall increase in water and sewer rates of 5.9%, which was effective January 1, 1998, generated additional revenue. Revenues in the Mass Transit Fund decreased \$31,826 (10.47%). Transit fare revenues decreased by \$7,350 (9.14%) from the prior year due to a decrease in total number of users. Other revenues decreased \$24,476 (10.95%) due primarily to a decrease in supplemental funding by the NC Department of Transportation.

EXHIBIT 11
COMPARATIVE SCHEDULE OF REVENUES
ENTERPRISE FUNDS

<u>Source</u>	1998	Fiscal Year Ended June 30,		Increase	Percent
	Percent of Total	1998	1997	(Decrease)	Increase (Decrease)
Water and Sewer:					
Charges for services	89.00%	\$ 11,429,925	\$ 10,999,379	\$ 430,546	3.91%
Other revenues	8.88%	1,140,496	1,034,278	106,218	10.27%
	97.88%	\$ 12,570,421	\$ 12,033,657	\$ 536,764	4.46%
Mass Transit:					
Charges for services	0.57%	\$ 73,038	\$ 80,388	\$ (7,350)	(9.14%)
Other revenues	1.55%	199,037	223,513	(24,476)	(10.95%)
	2.12%	\$ 272,075	\$ 303,901	\$ (31,826)	(10.47%)
Total	100.00%	\$ 12,842,496	\$ 12,337,558	\$ 504,938	4.09%

(Derived from Statement E-2, E-5, and E-9)

EXPENSES - ENTERPRISE FUNDS

Enterprise expenses increased \$990,063 (9.41%) over the prior fiscal year as shown in Exhibit 12. Water and Sewer Fund expenses, including depreciation, increased \$1,027,008 (10.26%). Administration expenses decreased \$75,192 (3.54%), of which most can be attributable to decreases in professional services expenditures for preliminary engineering designs and consultants. Operations expenses increased \$775,488, a 15.32% increase due primarily to expanded maintenance on infrastructure and facilities that had been deferred the last several years. Interest expenses increased greatly from FY97 due to an additional \$14,228,101 debt issued during the year.

Mass Transit Fund expenses, including depreciation, decreased \$36,945 or 7.19%. When the effect of depreciation is removed, the Fund experienced a decrease of only \$3,856.

EXHIBIT 12
COMPARATIVE SCHEDULE OF EXPENSES
ENTERPRISE FUNDS

<u>Function</u>	1998	Fiscal Year Ended June 30,		Increase	Percent
	Percent of Total	1998	1997	(Decrease)	Increase (Decrease)
Water and Sewer:					
Administration	17.81%	\$ 2,050,464	\$ 2,125,656	\$ (75,192)	(3.54%)
Operations	50.71%	5,837,640	5,062,152	775,488	15.32%
Interest	11.82%	1,360,365	1,002,294	358,071	35.73%
Depreciation	15.51%	1,785,568	1,816,927	(31,359)	(1.73%)
	95.86%	\$ 11,034,037	\$ 10,007,029	\$ 1,027,008	10.26%
Mass Transit:					
Administration	0.88%	\$ 101,506	\$ 104,054	\$ (2,548)	(2.45%)
Services	2.79%	321,162	322,470	(1,308)	(0.41%)
Depreciation	0.47%	54,119	87,208	(33,089)	(37.94%)
	4.14%	\$ 476,787	\$ 513,732	\$ (36,945)	(7.19%)
Total	100.00%	\$ 11,510,824	\$ 10,520,761	\$ 990,063	9.41%

(Derived from Statement E-2, E-5, and E-9)

FUND EQUITY - ENTERPRISE FUNDS

Water and Sewer Fund equity, as shown in Exhibit 13, increased by \$9,265,409 while the Mass Transit Fund equity decreased by \$65,427 between July 1, 1997, and June 30, 1998. The Water and Sewer Fund equity increase was primarily the result of capitalizing construction projects and significant developer contributions. The decrease in Mass Transit fund equity was due principally to the decrease in federal and state contributions for capital expenses related to the purchase of smaller buses during FY97. These factors resulted in net loss before depreciation of \$20,572.

EXHIBIT 13

FUND EQUITY ENTERPRISE FUNDS

	<u>1998</u>	<u>1997</u>	<u>Increase (Decrease)</u>
Water and Sewer:			
Contributed capital	\$ 29,783,866	\$ 22,054,841	\$ 7,729,025
Retained earnings	<u>25,097,240</u>	<u>23,560,856</u>	<u>1,536,384</u>
	<u>\$ 54,881,106</u>	<u>\$ 45,615,697</u>	<u>\$ 9,265,409</u>
Mass Transit:			
Contributed capital	\$ 1,472,422	\$ 1,463,158	\$ 9,264
Retained earnings	<u>(1,185,140)</u>	<u>(1,110,449)</u>	<u>(74,691)</u>
	<u>\$ 287,282</u>	<u>\$ 352,709</u>	<u>\$ (65,427)</u>
Total fund equity	<u>\$ 55,168,388</u>	<u>\$ 45,968,406</u>	<u>\$ 9,199,982</u>

(Derived from Statement E-4 and E-8)

INTERNAL SERVICE FUNDS

The City maintains two internal service funds for the purpose of providing services to the City's other operational funds. These funds are the Workers' Compensation Fund and the Employee Health Care Fund.

The City is self-insured for workers' compensation claims with an excess policy. The Workers' Compensation Fund is used to account for monies provided by the City and interest earnings on those monies to provide funds for major workers' compensation claims. The City incurred \$115,714 in claims during the year which required the use of City funds but not our excess policy. FY98 claims were up \$39,598 from the prior year. During FY98, three City employees sustained work-related accidents that resulted in unusually large amounts of claims. The City maintains a constant vigilant effort to hold costs to a minimum through the City's active development of risk reduction activities. These include reviewing employee accident reports, employee accident prevention training, employee health awareness activities, and newsletters to employees.

The City also is self-insured for its employee health care policy. Premiums are established for the various classes (individual, parent-child, and family) of health care annually. The City deposits its contribution together with the amounts withheld from employees' compensation to the Employee Health Care Fund monthly. All claims for benefits under the City's health care policy are paid from this Fund. The City also maintains specific stop loss coverage of \$40,000 per employee annually and an aggregate stop loss of 120% in excess of anticipated claims. During the year, the City incurred excess benefit claims for two covered

individuals where the specific stop loss was applied. Claims for the year were \$175,825 (11.41%) higher than last year. The Fund maintains a balance in excess of the incurred but not reported claims estimate.

FIDUCIARY FUNDS

The City maintains three fiduciary funds: Boards and Commissions and Municipal Service District funds, which are agency funds, and the Law Officers' Special Separation Allowance Fund, a pension trust fund.

A municipal service district was established in Salisbury in 1986 together with a non-profit company named Downtown Salisbury, Inc. to administer the disbursement of funds received by the district. The City levies a tax rate of sixteen cents per \$100 assessed valuation on this special tax district. The Municipal Service District Fund is used to account for the collection of this tax and the remittance of it to Downtown Salisbury, Inc. During the year, the City remitted \$81,132 to Downtown Salisbury, Inc. from the Municipal Service District Fund.

The Boards and Commissions Fund is used to accumulate and disburse funds earned by the Community Appearance Commission, Tree Board, and the Soccer Complex Committee. At June 30, 1998, they had a balance of \$47,603 available for their use.

The Law Officers' Special Separation Allowance Fund was established to account for the pension activities mandated by State statute under the Law Enforcement Officers' Special Separation Allowance. The Fund accounts for contributions made by the City to provide for pension benefits, interest earnings on these monies, and the disbursement of pension amounts. During FY98, the City paid \$17,841 in pension benefits. The City conducts an actuarial review of the Plan on an annual basis and adjusts the required contributions to the Fund at the beginning of each fiscal year.

YEAR 2000

The Year 2000 issue is the result of the elimination of the first two digits from a year in software programs. Many programs will not be able to distinguish between the year 2000 and the year 1900, which might cause the programs to process data incorrectly or stop processing data altogether. The Governmental Accounting Standards Board has issued a technical bulletin that identifies five stages of work needed to achieve compliance. They are awareness, assessment, remediation, validation/testing, and implementation. The City is aware of the issues surrounding this problem and has begun to address it in both software and hardware. We currently believe that all systems will be compliant by the year 2000.

CONCLUSION

The City of Salisbury has been fortunate to continue to experience rates of growth in its revenue base from taxable valuation during FY98. This growth was sufficient to accommodate expenditures during the year and maintain favorable fund equity.

As we look ahead to the future, a great financial responsibility awaits the City in the Water and Sewer Fund. The City will continue several projects begun during FY95 through FY99. These projects, financed by the sale of \$13,950,000 in bonds in November 1995 and an additional \$14,228,101 in new debt issues during FY98, will ensure a reliable supply of water for our residents; protect the environmental habitats of Grants Creek, Town Creek, and High Rock Lake, and generally provide for the future of our community. The magnitude of these projects is critically important to the City. Increasing State and federal water and wastewater mandates have required the City to make continual investment in water and sewer systems infrastructure and costs to operate these systems. The consolidation efforts for the Towns of Granite Quarry and Rockwell have presented many advantages to ensuring the stability and moderation of rate increases over

a larger customer base. Significant capital projects are underway and planned for the future. Now that we know what needs to be done, we must begin in earnest to complete the improvements to the Water and Sewer Utility for the next decade of growth.

The future holds many uncertainties. Federal and State mandates continue to severely press local governments in all areas of operations, not just water and sewer. The citizens of Salisbury have come to expect and appreciate the high level of service they enjoy. The management of the City is necessarily charged with managing its resources in the best possible manner to deliver those services at a cost citizens will agree to bear. As long as revenue growth rates do not decline unexpectedly; the costs of providing services do not escalate more rapidly than in previous years; and the City continues to evaluate all existing and potential revenue options, including annexations, we can accomplish this task. It will not be easy, but few challenges are. All City operations are being asked to contribute to the focused effort to maintain our municipal ship of state in health and readiness to respond to our citizens. We have made it happen before, and we will make it happen again. Overall, continued growth and policy adjustments that have been initiated by City Council will continue to provide the City a stable financial position from which we may serve the citizens of Salisbury for years to come.

ACKNOWLEDGMENTS

We wish to thank the Mayor, City Council and the City Manager for the support and trust they have given the Finance Department. On behalf of the team of the Finance Department, we promise our continued dedication to proving ourselves worthy of their support and trust. We are confident that together we can provide the citizens of Salisbury with responsible and progressive financial management.

For the preparation of this Report, the City is especially indebted to Becky S. Albrecht, Finance Specialist, Mark D. Drye, Accountant, and Michael D. West, Productivity Analyst. Without their assistance, this Report could not have been prepared on a timely basis.

Each year, we strive to prepare a financial report which provides a meaningful analysis and disclosure of the City's financial activities and financial position. We believe this Report conforms substantially to the standards of financial reporting of the appropriate professional organizations.

Respectfully submitted,

John A. Sofley, Jr.
Finance Director

S. Wade Furches
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Salisbury,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

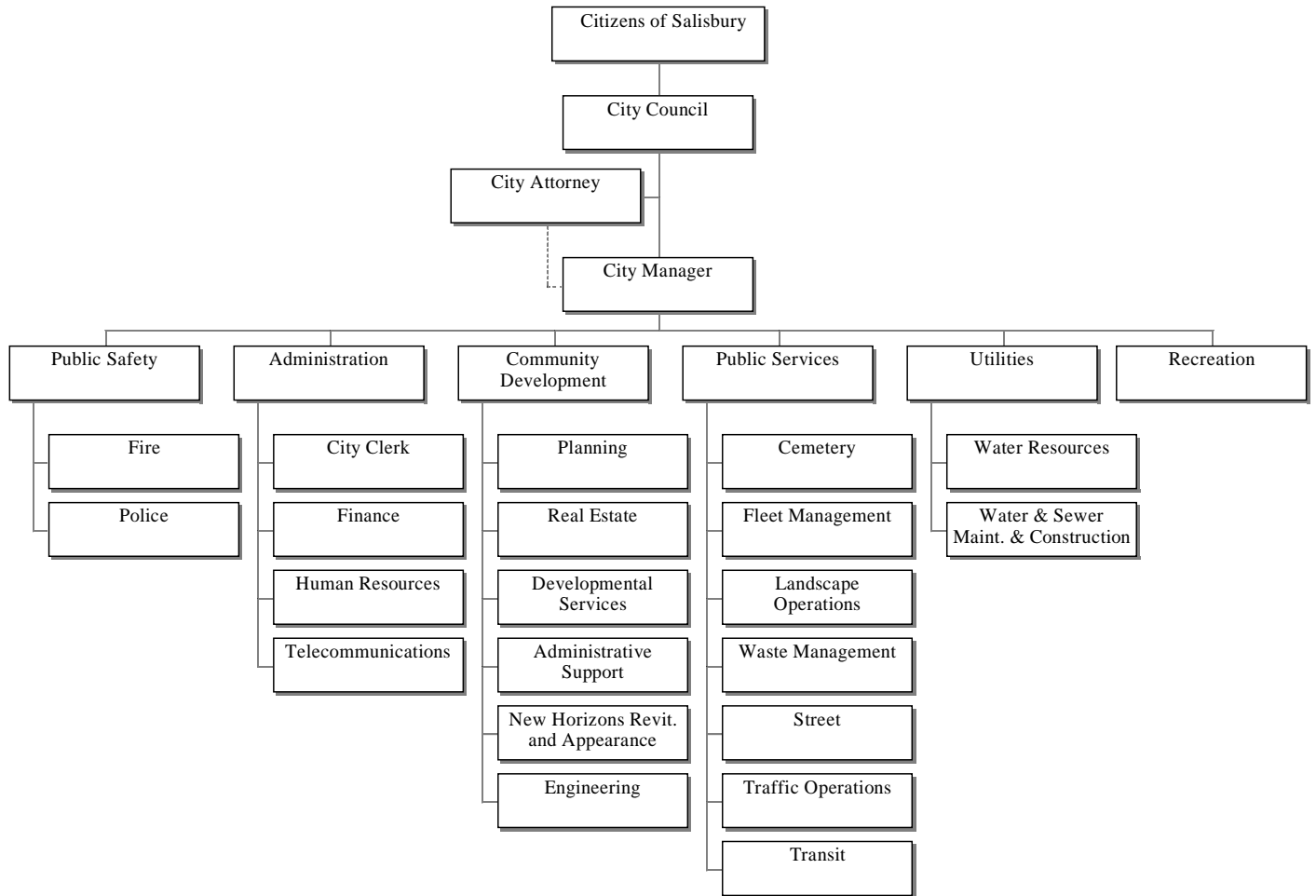
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Douglas R. Ellsworth
President

Jeffrey L. Esler
Executive Director

City of Salisbury Organizational Chart



CITY OF SALISBURY
LIST OF PRINCIPAL OFFICIALS

June 30, 1998

Mayor	Susan W. Kluttz
Mayor Pro Tem	Paul B. Woodson, Jr.
Council Member	William R. Burgin
Council Member	William R. Kennedy
Council Member	R. Scott Maddox
City Manager	David W. Treme
Assistant City Manager	J. Foster Owen
City Clerk	Virginia P. Petrea
Finance Director	John A. Sofley, Jr.
Fire Chief	Samuel I. Brady
Land Management and Development Director	Larry W. Chilton
Technology Services Manager	C. Michael Crowell
Human Resources Director	Melissa H. Taylor
Police Chief	Jeff M. Jacobs
Public Services Director	Vernon E. Sherrill
Purchasing Agent	Dewey D. Peck
Recreation Director	Gail Elder-White
Utilities Director	John C. Vest

FACTS AND INFORMATION ABOUT THE CITY OF SALISBURY, NORTH CAROLINA

LOCATION

Salisbury, the county seat of Rowan County, is located in the heart of the beautiful Piedmont area; the industrial heart of the State. Salisbury is located midway between Charlotte and Winston-Salem, 296 miles from Atlanta, Georgia and 368 miles from Washington, D.C.

CLIMATE

The climate of the Salisbury area is moderate, a definite advantage to those who live and work here. The massive mountains of Western North Carolina form a natural barrier against the cold east-west winds. While definitely southern in climate, Salisbury is far enough north, and has sufficient altitude to escape the humid summers of many other southern regions. Extremes in climate are very rare and short-lived. In winter the high temperature is about 50 degrees, with a low around 32 degrees. The total snowfall is normally about 6 inches each year. In the summer, the high averages about 87 degrees, with a low of 66 degrees.

POPULATION

The City of Salisbury has been able to maintain its population during the 90's unlike many other similar sized cities. This is due to both annexations and internal growth stimulated by the local economy. Population currently is estimated to be 26,884.

HISTORY

Scotch-Irish, who originally settled in Lancaster County, Pennsylvania, moved down the "Great Wagon Road" 435 miles to Trading Ford on the Yadkin River to become the first settlers in Rowan County.

The County of Rowan was established in 1753. At this time, Rowan included all territory north to Virginia and east to what we know now as Guilford County and west to the mountains. Eventually, 26 counties were formed from Rowan. Rowan County was named for Matthew Rowan, acting governor for the colony in 1753.

The deed for Salisbury is dated February 11, 1755. The court center, called prior to this time Rowan Court House, was a bustling little village of seven or eight log cabins, a court house, jail and pillory,

according to Governor Arthur Dobbs who visited here in late 1755.

The Court House dates to 1753 and consists of deeds, marriages, and miscellaneous records of value. Papers formerly in the Clerk's Office such as the early court minutes are stored at the State Department of Archives in Raleigh. Familiar names in American history adorn these records.

Andrew Jackson, Richard Henderson, William R. Davis, Daniel Boone, Lord Cornwallis, Richard Caswell and many other prominent local families as the Barkleys, Hoovers, and Polks, all ancestors of presidents or vice-presidents, appear time and again in the deeds and court minutes of the county.

Two years before the national Declaration of Independence and one year before the Mecklenburg Declaration of Independence, a group of patriotic citizens of Rowan County, serving as a Committee of Safety, on August 8, 1774, adopted the Rowan Resolves containing the pioneer element toward liberty and independence from Britain. These resolves reached the highest note of any passed in the colony in calling for the abolishment of the African Slave trade and urging the colonies to "unite in an indissoluble union and association". These resolves are located in the State Archives and are the only ones of the many passed in this period that are preserved.

So many legends and lifestyles have been passed down over the passage of time. Daniel Boone began his exploration of the Blue Ridge Mountains from here in Salisbury. Near the present-day library, is the small office where Andrew Jackson studied law and was admitted to the bar before he moved westward.

For all the struggles and hardships our ancestors endured, they have provided Salisbury with character and a rich heritage.

GOVERNMENT

The City of Salisbury's government is organized according to the Council-Manager form of government. The City Council, which formulates policy for the Administration of the City, together with the Mayor, constitutes the governing body of the City. The five (5) members are elected to serve two (2) year terms of office. The Mayor is elected from the five (5) Council members. The

Mayor presides at City Council meetings. Also, a Mayor Pro Tem is elected by City Council members from the five (5) to serve as Mayor during her absence or disability.

The City Council appoints the City Manager to serve as the City's Chief Executive Officer. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures, and appointing departmental officers. At the present time, the City Manager is assisted by the City Clerk and eight staff departments including Finance, Human Resources, Fire, Police, Community Development, Public Services, Parks and Recreation, and Public Utilities.

UTILITIES

Salisbury operates its own water and sewer system. The Yadkin River, which forms the northeast boundary of Rowan County, provides Salisbury with an abundant supply of good water. The average daily flow is nearly 2 billion gallons per day, and the minimum recorded one-day flow is 300 million gallons. The Salisbury water system, conventional in design and closely controlled, has a treatment capacity of 12 million gallons per day. Average daily usage during 1998 was 8.2 million gallons per day. The filter plant is designed for expansion as needed to 18 million gallons per day by adding pumping and settling capacity. An arterial system of distribution mains has been constructed to assure maximum fire protection to all parts of the city.

The Salisbury water system supplies three smaller towns in the County, Spencer, East Spencer, and Granite Quarry, and has been extended to a number of industrial sites well beyond the city limits. Additionally, Salisbury operates and maintains the well system for the Town of Rockwell. The water supply meets all Federal and State quality requirements. Salisbury's water is fluoridated on a continuing basis. Salisbury's two wastewater treatment facilities serve as the area's regional wastewater utility with service expansion to the towns of Landis, China Grove, East Spencer, Granite Quarry, and Rockwell. Total treatment capacity in 1998 was 12.5 million gallons. Average daily treatment in 1998 was 8.75 million gallons per day.

The City of Salisbury owns and operates the water and sewer utility systems in both Granite Quarry and Rockwell and their surrounding area.

Other utilities are provided by Duke Power Company, Piedmont Natural Gas Company, Southern Bell Telephone, and Western Union.

TRANSPORTATION

Salisbury, nearly the geographic and population center of North Carolina, is located on Interstate Highway 85, 42 miles from Charlotte, 53 miles from Greensboro and 38 miles from Winston-Salem. It is the crossroads of I-85, U.S. 29, 52, 70, 601 and N.C. 150. Over 3 million people live within 90 miles of Salisbury, 1.5 million within 55 miles and 60% of the population of the United States within an overnight truck haul. The seaports of Wilmington, Morehead City, Charleston, and Norfolk are less than a one-day truck haul away.

Rowan County Airport, three (3) miles from downtown Salisbury, has a 5,800 ft. x 100 ft. paved and lighted runway. Hangar space and private plane servicing are available.

The major commercial airports at Charlotte and Greensboro-High Point are less than an hour's easy drive from Salisbury. These airports provide excellent service to all parts of the United States via United, USAirways, Delta, TWA, Continental, Eastwind and American Airlines. There are also direct flights available to London and Frankfurt.

Bus service is provided by Carolina Trailways and Greyhound with daily arrivals and departures. Their service also includes parcel shipments.

Local bus service is provided by the City's Transit System.

MOTELS

An ideal area for small conventions, Salisbury has ten (10) motels, with over 600 rooms, and two (2) bed and breakfast establishments in our historic district.

EDUCATION

Salisbury is home to two (2) colleges and a technical college. Catawba College has thirty (30) buildings comprising a physical plant unsurpassed in the East for a college of this size and style. It has a total enrollment of 1,300 Liberal Arts Co-ed students and is affiliated with the United Church of Christ.

Catawba College was founded in Newton, North Carolina in 1851, and opened in Salisbury in 1925.

Livingstone College was founded in 1879, and has 900 Liberal Arts Co-ed students. It is supported by the African Methodist Episcopal Zion Church; Hood Theological Seminary is located at Livingstone.

Rowan Cabarrus Community College offers two-year educational programs leading to the associated degree in applied science. In addition, one-year diploma programs are offered in five fields. There is a total enrollment of approximately 3,500 full-time students.

In addition to the Salisbury-Rowan public school system, there are several private and church related elementary schools.

ARTS AND ENTERTAINMENT

The cultural atmosphere of the Salisbury area is significantly enriched by the outstanding programs of Catawba and Livingstone Colleges and the other colleges in the area. Each year the Catawba College Shuford School of Performing Art brings a minimum of four musical events to Salisbury. Catawba's fine Drama department offers several professional type drama productions each year. Livingstone College also has a cultural series that brings artists to the community as well as an excellent drama group, The Julia B. Duncan Players.

The Piedmont Players, a community little theater organization, provides excellent entertainment as well as a chance to participate in both its acting and technical activities. They have completely restored the historic Meroney Theater, built in 1905. This theater provides a home for the Players and other performing artists.

The Salisbury-Rowan Symphony, consisting of musicians from the area, presents four concerts each season. In addition to participation in the regular concert series, the string quartet of the Salisbury Symphony visits the elementary schools to present programs. The object of this mini-concert series is to give the students some knowledge of music and famous composers.

Rowan-Cabarrus Community College participates in the North Carolina Visiting Artist Program. Each year a professional artist is employed and in residence at the college. Concerts and musical programs are provided regularly by many artists throughout the state as well as the Visiting Artist. In addition, Rowan-Cabarrus Community College sponsors a Folk

Heritage Center. This center serves as a network for professional and local folk artists and presents classes, concerts, and other folk artist activities for the general public.

COMMUNITY FACILITIES

Salisbury is served daily by The Salisbury Post. Four (4) radio stations provide for local programming. Although there are no local television stations, WBTV has operates a satellite newsroom located in Salisbury. Local reception provides coverage of all major networks in addition to cable television facilities. A full-time year-round recreation staff offers activities for both young and old. In addition to organized activities, the City provides several parks and facilities for general use.

City Park has a completely equipped playground, tennis courts and a five (5) acre lake for fishing. Salisbury has a Civic Center with weight room, racquetball courts, auditorium, tennis courts and a handicap exercise trail.

Kesley-Scott Park is a fifteen (15) acre park located on Old Wilkesboro Road. Jaycee Sports Complex is a multi-use area with four (4) ball fields. Miller Recreation Center is referred to as the "Youth Center".

Hurley Park is a municipal garden which has a unique collection of plants to the area. The Park provides an educational experience as well as a pleasurable place to stroll.

SPECIAL EVENTS

Each year, the Salisbury-Rowan Chamber of Commerce presents the National Sportscasters and Sportswriters Awards Program. The National Sportscasters and Sportswriters Awards Program has enjoyed a fantastic success. From its humble beginning to the present time, this program has attracted great national attention to the City. Each year celebrities visit Salisbury to attend the Annual Awards Program.

[Click here to go to next section](#)